

DEPARTMENT OF THE NAVY
WASHINGTON

June 3, 1941

Sirs:

Reference is made to Supplemental Contract N0d-1538, dated September 9, 1940 for the acquisition and installation of special additional plant equipment and facilities required to expedite the National Defense Program, at a total estimated cost of \$5,500,000.

By letter dated December 16, 1940 an order was placed with you for construction of six additional destroyers Nos. DD618 to DD623 inclusive and a change in Supplemental Contract N0d-1538 was authorized to provide further special plant facilities at a cost not to exceed \$2,250,000.

Pursuant to this authorization, a general review of the facilities required by the Contractor for its Naval construction work has disclosed that several of the items appearing in Exhibit I of Supplemental Contract N0d-1538, originally regarded as necessary, may be dispensed with. The funds thereby released together with the additional funds for facilities authorized by letter of December 16, 1940 will be used to construct a shipway and outfitting basin. These additional facilities are required in the interest of expediting the construction of the additional destroyers without delaying the building program for cruisers now under construction by you.

In view of the foregoing and because of the necessity of overtime and shift work and other increased costs in the performance of supplemental contract N0d-1538, not contemplated at the time the original estimates were made, the Secretary of the Navy hereby authorizes the following changes in that Supplemental Contract and the Exhibit forming part thereof:

Supplemental Contract - Page 1

In the first recital, on the first vacant line under the words "DD505 and DD506 under Contract N0d-1505" insert the words "DD618-623, inclusive, under Contract N0d-1642".

/L24(410102-7)P
M:hw

Exhibit I. Page 1

Bureau of Ships No. 2, in the column under "Estimated cost", delete "\$750,000" and substitute therefor - \$813,000 --.

Bureau of Ships No. 3, in the column under "Item", delete "#11" and "#12" and substitute therefor - #9 and #10 - respectively.

Bureau of Ships No. 3, in the column under "Estimated Cost", delete "\$360,000" and substitute therefor - \$393,000 --.

Bureau of Ships letter A*, in the column under "Item", delete "Extension of Shipways Including Cranes and Accessories" and substitute therefor - Construction of Shipway #11 and North Outfitting Basin, including Shipway and Wharf Cranes, Accessories and Dredging - Including Purchase and Installation of Shipway Crane and Runway between Ways #9 and #10 --.

Bureau of Ships letter A*, in the column under "Estimated Cost", delete "\$535,000" and substitute therefor - \$3,383,000 --.

Bureau of Ships letter B*, in the column under "Item", delete "Extension of Wet Basin including Cranes and Accessories" and substitute therefor - Extension to South Outfitting Basin Crane Runway.

Bureau of Ships letter B*, in the column under "Estimated Cost", delete "\$750,000" and substitute therefor - \$50,000 --.

Bureau of Ships letter C*, delete this item in its entirety.

Bureau of Ships letter D*, in the column under "Item", delete "and Other Buildings," and substitute therefor - Extensions, Miscellaneous Yard Buildings -

Bureau of Ships letter D*, in the column under "Estimated Cost", delete "\$733,000" and substitute therefor - \$1,605,000 --.

Bureau of Ships letter E*, in the column under "Estimated Cost" delete "\$1,037,000" and substitute therefor - \$1,170,000.

Bureau of Ships letter F*, in the column under "Estimated Cost", delete "\$322,000" and substitute therefor - \$118,000 -.

In the column under "Estimated Cost" and opposite "TOTAL ESTIMATED COST" delete "\$5,500,000." and substitute therefor - \$8,500,000.

There is enclosed herewith a copy of Exhibit I revised in accordance with the above mentioned changes.

The foregoing changes involve an increase of \$3,000,000 in the total estimated cost, instead of \$2,250,000 as previously authorized by the Secretary of the Navy's letter of December 16, 1940 (No. DD618/L4(401260)).

Respectfully,

James Forrestal
Acting Secretary of the Navy

Federal Shipbuilding and Dry Dock Company
Kearny, New Jersey

CC: CNO
BuShips
CompEd (3)
BuS&A (Appropriation Div.)
SupShip(Kearny)
GAO(Audit Div.)

EXHIBIT I
 (Revised June 3, 1941)
 forming part of
 SUPPLEMENTAL CONTRACT Nod-1538
 FEDERAL SHIPBUILDING AND DRY DOCK COMPANY
 KEARNY, NEW JERSEY
 (Dated September 9, 1940)
 for the

Acquisition and Installation of Special
 Additional Plant Equipment and Facilities
 Required to Expedite the National Defense Program

Item	Estimated Cost
Pipe Shop and Accessories	\$ 393,000
Warehouse including Heavy Duty Cranes and Accessories	813,000
Reconstruction of Abandoned Shipways #9 and #10, Purchase and Installation of One (1) Traveling Power Shipyard Crane, One (1) Locomotive Crane, Attendant Crane Tracks, and Staging Towers	393,000
Forty-three (43) Machine Shop Tools	575,000
Construction of Shipway #11 and North Outfitting Basin, including shipway and wharf cranes, accessories and Dredging - Including purchase and installation of Shipway Crane and Runway between Ways #9 and #10	3,383,000
Extension to south Outfitting Basin Crane Runway	50,000
Shop Extensions, Miscellaneous Yard Buildings and accessories	1,605,000
Tools and Equipment	1,170,000
* Reserve for Contingencies	<u>118,000</u>
TOTAL ESTIMATED COST	\$ 8,500,000

*Letter identifications are for reference only.

(Enclosure A)

EXHIBIT I

FORMING PART OF

SUPPLEMENTAL CONTRACT NO. 1535

Dated September 9, 1940

FOR THE

Acquisition and Installation of Special Additional Plant Equipment and Facilities Required to Expedite the National Defense Program

Item	Description	Estimated Cost
1	Pipe Shop and Accessories	176,000
2	Warehouse, including Crane, Trolley Crane and Accessories	750,000
3	Reconstruction of A. and Shipways Nos. 1 and 12, Purchase and Installation of One (1) Traveling Power Shipyard Crane, One (1) Locomotive Crane, additional Crane Tracks, and Storing Towers	500,000
4	Forty-three (43) Machine Shop Tools	375,000
A*	Extension of Shipways, including Cranes and Accessories	535,000
B*	Extension of Wet Basin, including Cranes and Accessories	750,000
C*	Dredging	15,000
D*	Shop and Other Buildings and Accessories	733,000
E*	Tools and Equipment	1,937,000
F*	Reserve for Contingency	322,000
Total Estimated Cost		\$5,500,000

Identifications are for reference

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